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ABSTRACT

Since Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act in 1996, Kansas has dramatically reduced its welfare roles. Noting that achieving self-sufficiency is the real measure of success in combating poverty, this study examines welfare reform efforts in Kansas. To gather information, United Way member agencies and community emergency assistance agencies administered a survey during 1998 and 1999 to 2,005 households seeking assistance, 1,244 of whom were families with children. Findings reveal that while Kansas has made progress in fighting poverty, that progress is far more modest than the dramatic decrease in welfare roles suggests. Kansas ranks 14th in the percentage reduction in welfare recipients between 1993 and 1999. Many welfare recipients and former recipients continue to struggle to meet their needs. The level of income required to become self-sufficient often far exceeds the wages that a welfare recipient can expect to receive. Kansas diverts almost half the Temporary Assistance to Needy Families block grant into foster care, thereby reducing its ability to effectively improve families' self-sufficiency. Kansas places little emphasis on providing recipients with skill-specific training needed to secure a living wage, with current state spending too low to take full advantage of federal matching grants. An alarming number of poor families are not receiving food stamps, Medicaid, child care subsidies, and other benefits for which they are eligible. Based on findings, the following recommendations were made to help Kansas achieve the true goals of welfare reform: (1) caseworkers should make sure that families are aware of benefits for which they are eligible; and (2) job readiness and training programs should be emphasized. (KB)

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# Struggle for Self-Sufficiency:

## *Impact of Welfare Reform on Families With Children in Kansas*

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- We *paint the picture* of Kansas children by gathering and publicizing information on child well being through the Kansas Children's Report Card, the Kansas KIDS COUNT Data Book, and special reports.
- We *advance alternatives* by developing state policy that is family and child friendly. Over the years, programs related to early childhood development, teen pregnancy, preventive health care, citizen's review boards, and services to children in troubled families have stemmed from our work.
- We *build the base* of citizen advocacy for children by working with citizens and organizations across the state. We believe that hundreds of citizens speaking out for children can help create communities that support families and children.

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# Struggle for Self-Sufficiency:

*Impact of Welfare Reform on Families With Children in Kansas*

## Table of Contents


Executive Summary ..... 2

Purpose: Focusing on the Children ..... 4

Welfare Reform Background ..... 6

Struggling for Self-Sufficiency: Welfare Reform in the U.S. ..... 7

Struggling for Self-Sufficiency: Welfare Reform in Kansas ..... 9

Work and Work Programs ..... 15

The Food Stamp Program ..... 18

Child Care Assistance ..... 21

Medicaid and Health Care ..... 23

Child Support ..... 25

Kansas Leavers Survey ..... 26

SRS Initiates Changes ..... 26

Recommendations ..... 27

Conclusions ..... 29

# EXECUTIVE SUMMARY

Media, politicians and the general public have declared welfare reform to be a resounding success.

> ***"Progress in reducing the depth and severity of child poverty... halted between 1995 and 1997 despite continued improvement in the economy. The number of poor children declined only slightly during this period, and children who remained poor became poorer."*** [1]

Since Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act in 1996, states have dramatically reduced their welfare rolls. The number of Kansas families receiving temporary assistance to needy families dropped 46 percent between late 1996 and early 2000, from a monthly average of 26,057 families to an average of 12,388. Other states achieved similar results. Meanwhile:

- demands for emergency food and shelter in U.S. cities began and continues to rise, despite an expanding national economy.
- the income of the poorest 20 percent of female-headed families with children in the United States fell an average of $580 per family between 1995 and 1997.
- most of the 6 million individuals in these 2 million families are children.
- the average amount by which poor children fall below the poverty line increased from $1,471 in 1995 to $1,604 in 1998 -- children who remain poor have become poorer.
- most of the jobs held by former welfare recipients provide low wages and few if any benefits, so that most of these families continue to live below or just above the poverty line.

Moreover, welfare reform cannot take credit for all of the gains made by some low-income families. Studies also credit the sustained economic growth in the United States during the 1990s, unusually low unemployment rates and the expansion of the Earned Income Tax Credit.

How is it possible that the poorest families in America are worse off now than before welfare reform and that so few families have risen out of poverty despite finding jobs? The short answer is that **achieving self-sufficiency, not reducing the number of families receiving cash assistance, is the real measure of success in combating poverty. Welfare reform, by focusing on its "work first" philosophy while ignoring what happens to families after they leave welfare, has failed to acknowledge the reality of what it costs to raise a family.**

This study examines welfare reform efforts in Kansas **within the context of self-sufficiency**. The results reveal that while Kansas has made progress in fighting poverty, that progress is far more modest than the dramatic decrease in welfare roles suggests. The study also recommends that Kansas implement several cost-effective measures aimed at furthering the goals of welfare reform. **Among the findings:**

- Kansas ranks 14th in the nation in the percentage reduction in welfare recipients between 1993 and June 1999 (63 percent).
- Information on how former welfare recipients have fared since leaving welfare is sparse.
- What information exists indicates that while the state's welfare caseload is down, evidence is mixed as to whether poverty has declined substantially in Kansas. Many TAF recipients and former TAF recipients continue to struggle to meet their needs. In fact, the income most former recipients receive from jobs is not sufficient to lift them out of poverty.

- A Kansas State University study shows a big gap between the level of income Kansas families require to meet basic needs and the maximum benefits families can receive in TAF payments and Food Stamps combined. Kansas cash payments to poor families have remained the same since 1992.
- The same study shows that the level of income required to provide a *living wage* and become self-sufficient in most cases far exceeds the wages that a welfare recipient can expect to receive from a new job that will end a family's eligibility for cash payments. As a result, working families with children continue to face difficult choices in the struggle to provide basic necessities.
- Kansas diverts almost one-half of the Temporary Assistance to Needy Families block grant it receives from the federal government into its foster care program, dramatically reducing the state's ability to effectively combat poverty and help families become self-sufficient.
- Although a large and growing percentage of Kansas welfare recipients face multiple barriers to employment, Kansas places little emphasis on providing recipients with the kind of skill-specific training that could lead to securing a living wage for them and their families. State spending on job training programs is too low to take full advantage of federal matching grants.
- In January 1999, of 7,350 adult TAF recipients who were not exempt from state work requirements, an estimated 30 percent had learning disabilities, 26 percent had IQs below 80, and 20 percent had substance abuse problems. (These percentages are not cumulative.)
- An alarming number of poor families, especially former TAF recipients, are not receiving food stamps, Medicaid, child care subsidies and other benefits for which they are eligible. Partly because of the lack of tracking of former recipients, the reasons for this are largely unknown. Only three states in 1998 had a more dismal record than Kansas in keeping those who are eligible for food stamps enrolled in the Food Stamp Program.

After considering these findings, this report suggests the two following **priorities** and several other recommendations (See pages 27-29) to help Kansas achieve the true goals of welfare reform.

## *Welfare Reform Priorities*

- **TRANSITIONAL SUPPLEMENTS.** Caseworkers and others state employees who are "lifelines" to TAF recipients, former recipients and applicants who are turned down for cash supplements should make sure these families are aware of any benefits that they are eligible to receive.

- **JOB TRAINING.** Emphasize job readiness and training programs. Specifically:
  1. Kansas should increase by $2.3 million the size of its match to federal funds to receive the full $4.6 million available from the federal government for the Welfare-to-Work Program.
  2. The state should dedicate a larger percentage of the federal government's TANF block grant to short-term, skill-specific training.

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*The Initial Impacts of Welfare Reform on the Incomes of Single-Mother Families*. Wendell Primus, Lynette Rawlings, Kathy Larin, Kathryn Porter. Center on Budget and Policy Priorities. August 1999.

# PURPOSE: Focusing on the Children

## *The unknown -- welfare reform's impact on children*

Children comprised approximately 71 percent of TAF cash recipients in fiscal year 1999.[1]

> ***"Ten percent of America's young children live in extreme poverty, in families with incomes of under 50 percent of the poverty line. Research indicates that extreme poverty during the first five years of life has especially deleterious effects on children's future life chances."***
>
> **--National Center for Children in Poverty**

In fact, children consistently comprise roughly two-thirds of the state's cash assistance rolls, yet they are conspicuously missing in most reports and media accounts of welfare reform. We know very little about the impact welfare reform has had on poor children in Kansas; however, much is known about poverty's impact on children:

- Children are more likely than any other age group to be poor.
- Poverty in early childhood has long-lasting negative consequences for cognitive development and academic outcomes.
- An enormous human resource is lost when children do not achieve to their highest potential.[2]

Research at the University of Michigan suggests a link between the length of time a child has been in poverty and IQ scores. This relationship holds even when factors such as the mother's education and family structure are taken into account.[3]

Other research shows that poor children are more likely to score low on indicators of cognitive development, to be short for their age and to be underweight compared to children in higher-income families.[4]

These factors make it clear that children should be a central focus of welfare reform, as well as any studies or media coverage of the impact of welfare reform. Unfortunately, efforts by state government in Kansas to track former TAF recipients once they leave the program have been modest.

## *Survey and methodology*

This report features data from the second year of a two-year effort by the United Way Association of Kansas (UWAK) to provide a clearer picture of how welfare reform has affected needy families with children in Kansas. As part of a two-year collaboration with UWAK, Kansas Action for Children published an initial report in 1999, entitled *Welfare Reform in Kansas: Snapshots of Children and their Families.*

To gather its information, United Ways member agencies administered a survey during both 1998 and 1999. Recognizing that families who turn to private agencies also often seek similar assistance from government agencies, community emergency assistance agencies in 15 United Way catchment areas surveyed 2,005 Kansas households who sought help. Of those families, 1,244, or 62 percent, are families with children. Findings from the Emergency Assistance Survey can be found in the shaded boxes throughout this report.

While not intended to be a scientific sample of all families leaving the welfare roles, the surveys do provide a representative sample of Kansas families who turned to community-based agencies in 1999. Their answers yield useful insights into the challenges faced by families with children who clearly have not attained self-sufficiency, but rather continue to seek assistance from communities to

meet basic needs.

The report also incorporates findings from recent national welfare reform studies and information provided by Kansas Department of Social and Rehabilitation Services (SRS). After sections that discuss welfare reform at the national level, this report addresses welfare reform in Kansas, work and work programs, food stamps, child care assistance, health care and child support. While not inclusive of all the factors that affect the lives of poor families, the report focuses on the policy choices that are most critical to ensuring that welfare reform contributes to child success, a goal that must be at the forefront of welfare reform planning.

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[1] *2000 Finger-tip facts.* Kansas Department of Rehabilitation Services. January 2000.
[2] *The Importance of Early Intervention.* The Carolina Abecedarian Project. October 1999.
[3] Kansas *Families: Poverty Despite Work*, p. 2, from Greg Duncan, Jeanne Brooks-Gunn and Pamela Kato Klebanov. "Economic Deprivation and Early Childhood Development." Child Development (65). 1993.
[4] Poverty, *Nutritional Status, Growth, and Cognitive Development of Children in the United States.* Jane Miller and Sanders Koreman. Princeton University's Office of Population Research *Working Paper Series.* June 1993.

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## **Emergency Assistance Survey:** Glimpse of the families

A summary glimpse of those families participating in this year's statewide survey of families seeking emergency assistance.

- The average family that sought emergency assistance was a family of four with 2.3 children per household.
- 62 percent of households included children under age 18.
- 58 percent of recipients were white, 24 percent African-American, 17 percent Hispanic, 6 percent Native American and * percent Asian.
- the average household size equaled four persons.
- the average age of parents seeking assistance was 34 years.
- the average age of the youngest child was between 5 and 6 years.
- Among households with children, 58 percent of respondents were single parents.
- 52 percent of all youngest children were age 4 years or younger, and in another 35 percent, the youngest was between 5 and 12 years old.

# WELFARE REFORM BACKGROUND

The federal government on Aug. 22, 1996, passed the Personal Responsibility and Work Opportunity Reconciliation Act, replacing the 60-year-old Aid to Families with Dependent Children (AFDC) program with a block grant to states to finance a new cash welfare program, Temporary Assistance for Needy Families (TANF).

This Welfare Reform Law, as it is commonly called, 1) eliminated the federal entitlement to cash assistance for income-eligible families, and 2) gave states unprecedented flexibility in designing and managing their cash assistance programs.

The four primary purposes for the federal TANF program were to:

1. provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
2. end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
3. prevent and reduce the incidence of out-of-wedlock pregnancies . . .; and
4. encourage the formation and maintenance of two-parent families. [1]

These stated principles make it clear that a principal intent of congressional authors was to strengthen family and economic foundations for children.

One of the biggest changes under the new law is the 60-month lifetime limit. Families who have received assistance for five cumulative years are ineligible for cash aid under the new welfare law. The new law also requires recipients to work after two years on assistance, with few exceptions. Families with a child younger than 1 year old are exempt, as are children with no adult present.

States may exempt up to 20 percent of their case load from the time limit. Kansas exempts adults who are caretakers of a household member and elderly adults from work requirements.

Although extensive flexibility was a primary feature of the new TANF program, states were required to comply with key mandates in the federal law. These mandates included work participation rates as well as rules about eligibility, teen mothers, time on welfare, and appropriate usage of federal block grant funds.

By October 1996, Kansas had crafted a state plan, entitled Temporary Assistance to Families (TAF), to comply with federal mandates. The Kansas TAF plan promised an undergirding of supports to assist welfare recipients in the transition from cash assistance to gainful employment. These include subsidized child care, medical assistance, food stamps, enhanced child support enforcement, and employment preparation services. Like most states, Kansas has tied TAF payments to requirements for work, work search or enrollment in programs designed to prepare adults on assistance for jobs.

In fiscal year 1999, Kansas received $101.9 million as its share of the federal TANF block grant to states. Of that amount, the state spent $48.75 million, an amount equal to 48 percent of the federal block grant, on its foster care program. In the same fiscal year, Kansas committed $68.3 million in matching funds, ("maintenance of effort" funds,) to meet federal requirements. During the 2000 Legislative session, lawmakers followed the governor's recommendation to trim maintenance of effort funds to about $62 million for FY 2000. The federal block grant will be unchanged.

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[1] *Sheila Zedlewski, et.al. Cash Assistance in Transition: The Story of 13 States. The Urban Institute. Washington DC. 1998.*

## STRUGGLING FOR SELF-SUFFICIENCY: Welfare reform in the U.S.

Recent national studies are beginning to reveal a clearer picture of the impact that welfare reform has had on poor children and their families. The studies, on balance, show that while some families have risen out of poverty in recent years, many who remain poor are worse off than before welfare reform.

The youngest and poorest children are among the most affected. According to the National Center for Children in Poverty, the percentage of children under age 6 living in poverty in the United States is 20.6 percent, significantly higher than in other Western industrialized nations.

A Center on Budget and Policy Priorities study found that progress in reducing child poverty has slowed markedly since 1995 and that children who remain poor have become poorer.[1]

**Average by which poor children in U.S. fall below the poverty line:**

| | |
|---|---|
| **1995** | **$1,471** |
| **1998** | **$1,604** |

Increases in employment and wages, together with expansion of the Earned Income Tax Credit, reduced child poverty by 10 percent between 1995 and 1998, but a 27 percent drop in children receiving Food Stamps and a 36 percent reduction in the number of children helped by cash assistance to poor families slowed the decrease in poverty, the study's researchers concluded.

Even more troubling is the study's finding that the average amount by which poor children fall below the poverty line increased between 1995 and 1998 from an average level of $1,471 to $1,604 below the poverty line, the highest level recorded since such data were first collected in 1979. In other words, poor children were poorer in 1998 than at any time since at least 1979.

A bright spot, the study found, may have been the Earned Income Tax Credit, which expanded between 1995 and 1998 and reduced child poverty far more in 1998 than it had three years earlier. "In both 1995 and 1998, safety net programs lifted out of poverty one-third of the children who would have been poor without these programs," the study states. "Although food stamps and cash assistance programs lifted a smaller proportion of such children out of poverty in 1998 than in 1995, the EITC lifted out a larger proportion."

To its credit, Kansas is one of only 11 states that has its own state-level Earned Income Tax Credit, enacted in April 1998.

A recent survey of 26 cities released by the U.S. Conference of Mayors recorded a rising demand for emergency food and shelter in U.S. cities, despite an expanding national economy.[2]

A 12 percent increase in the demand for emergency housing-related assistance in 1999 was the highest increase since 1994, and demand for emergency food-related assistance grew by 18 percent.

**The federal government determines the poverty level for families according to the number of persons in a household. The figures change each year to adjust for inflation. This table shows the federal poverty level for some family sizes.**

**Federal Poverty Guidelines for Calendar Year 2000**

| Household Size | 1 | 2 | 3 | 4 |
|---|---|---|---|---|
| Annual | $8,350 | $11,250 | $14,150 | $17,050 |
| Monthly | $696 | $938 | $1,179 | $1,421 |

the highest level since 1992. In addition, 21 percent of requests for food are estimated to have gone unmet. The report discovered that one-half of the cities surveyed may have to turn away people in need because they lack resources.

> ***"Although young children may benefit from policy efforts to promote work, additional steps are needed to ensure that welfare reform helps and does not hurt them."***
> **-- National Center for Children in Poverty**

A lack of affordable housing led the list of reasons for homelessness, followed by substance abuse, low wages, domestic violence, mental illness, poverty, and changes to public assistance programs. President of the Conference of Mayors, Denver Mayor Wellington E. Webb commented on the ironic effect the booming economy has had on the poor. "Our good economy has simply driven up housing costs and reduced the supply of affordable housing, putting many people on the streets and into shelters," Webb said.

Leaders in most of the cities surveyed expect demand for emergency food and shelter to increase this year.

Part of the problem, as a National Center for Children in Poverty report points out, is that in the three years since the Personal Responsibility and Work Opportunity Reconciliation Act was passed, most state and local policy efforts have focused on tying cash assistance payments to employment.[3] "Although young children may benefit from policy efforts to promote work, additional steps are needed to ensure that welfare reform helps and does not hurt them," the report states.

The NCCP calls on policy-makers to craft deliberate program, policy, fiscal, and collaborative strategies to promote positive outcomes for young children within the context of welfare reform.

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[1] *Recent Changes in the Impact of the Safety Net on Child Poverty*. Center on Budget and Policy Priorities, 1999.
[2] *1999 Status Report on Hunger and Homelessness in America's Cities*. U.S. Conference of Mayors.
[3] *Beyond Work: Strategies to Promote the Well-Being of Young Children*. National Center for Children in Poverty, November 1999.

## Searching for self-sufficiency: a Kansas family story

Besides raising two teenagers of their own, Jenny and Peter care for their grandchildren, ages 2 and 1. Their grandchildren's mother was sent to jail after being arrested on a parole violation. Peter is unable to work and receives Social Security disability income. Jenny earns $7 per hour as a medical aide. Her hours recently were cut from full time to part time because she did not have the training required to keep her license current.

Jenny applied for assistance from SRS, but was denied because Peter was not listed on the incarcerated daughter's birth certificate. Although Peter paid child support through SRS when his child was a minor, he still is not considered her legal father. SRS informed the couple that until paternity was established, SRS would not be able to assist with food stamps, cash assistance or child care. Unfortunately, her daughter's incarceration prevented the paternity test from being done.

Jenny also sought assistance to take the training course she needed to update her medical aide license so she could return to full-time work. SRS denied her any assistance with training costs. Assistance from the United Way-funded community agency enabled Jenny to complete her training. Her hours have increased to 30 hours per week.

# STRUGGLING FOR SELF-SUFFICIENCY: Welfare reform in Kansas

Public assistance caseloads in Kansas have dropped steadily -- by 48 percent between 1996 and January 2000 -- since the start of welfare reform. In fact, Kansas ranks 14th in the nation in the percentage reduction in AFDC /TANF recipients between 1993 and June 1999 (63%). [1] In fiscal year 1996, an average of 26,057 Kansas families (71,697 persons) received Temporary Assistance to Families cash assistance each month. In fiscal year 1999, that average had dropped to 12,866 Kansas families (32,757 persons). The cash payments averaged $294 per month. Approximately 71 percent of the recipients were children. [2]

> ***"America's youngest children are more likely to live in poverty than Americans in any other age group."***
> **-- National Center for Children in Poverty**

## *Current trends in TAF caseloads*

Table I shows how the numbers of Kansas families, persons and children receiving TAF payments has decreased each year since 1996. (The "rate of decrease" column shows the percentage drop in the number of *persons* enrolled in TAF in the previous year.) After a significant decrease in the number of persons enrolled in TAF in 1998, the rate of decrease has begun to taper off. This is, in part, because a large and growing percentage of Kansas welfare recipients confront multiple barriers to work [3] or are child-only cases. These types of cases are not likely to be closed quickly.

Table I

**Families, Persons, and Children Receiving Temporary Assistance for Families Fiscal Years 1996-2000 YTD**

| Fiscal year | Average monthly families | Average monthly persons | Average monthly children | Annual rate of decrease in families |
|---|---|---|---|---|
| 1996 | 26,057 | 71,697 | 49,953 | - |
| 1997 | 21,705 | 57,762 | 41,266 | 19% |
| 1998 | 15,052 | 39,751 | 28,056 | 31% |
| 1999 | 12,866 | 32,757 | 23,386 | 18% |
| 2000 YTD* | 12,388 | 31,241 | 22,477 | 5% |

* July 1999 - January 2000

Meanwhile, an SRS survey of families that left the TAF program (See page 26), conducted between December 1997 and November 1998 and released in March 2000, found that 35 percent of the families that left TAF returned to the program within a year. [4] This percentage is higher than what one study found the national average (29 percent) to be. [5] Eighty percent of those who returned did so within the first six months. The report notes that those numbers probably are understated.

## *Measuring poverty in Kansas*

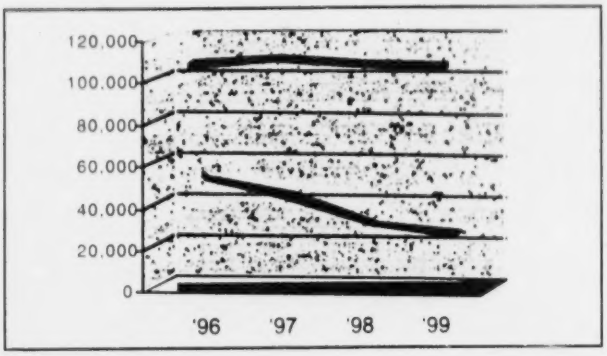
Dramatic reductions in the number of Kansas families on welfare is taken as proof that fewer Kansans are poor. What evidence exists, however, is mixed.

Because of the lack of better data, the number of children eligible for free school lunches (families whose incomes are 130 percent or less than the federal poverty level) has been regarded as a proxy measure of the level of poverty. As can be seen in the graph below, the number of Kansas children approved for free lunches has remained fairly steady since welfare reform began in 1996. Meanwhile, the number of families enrolled in the state's TAF program has continued to decline. This shows that while welfare reform's work-first emphasis, along with economic growth, has succeeded in bringing more adults into the work force, its impact on the level of poverty in Kansas is unclear.

**Children approved for free school lunches:**
1996-1997 -- 108,009
1997-1998 -- 111,414
1998-1999 -- 108,732
1999-2000 -- 106,919

**Children on Welfare:**
1996 -- 49,953
1997 -- 41,266
1998 -- 28,056
1999 -- 23,386

**Measuring Poverty in Kansas**



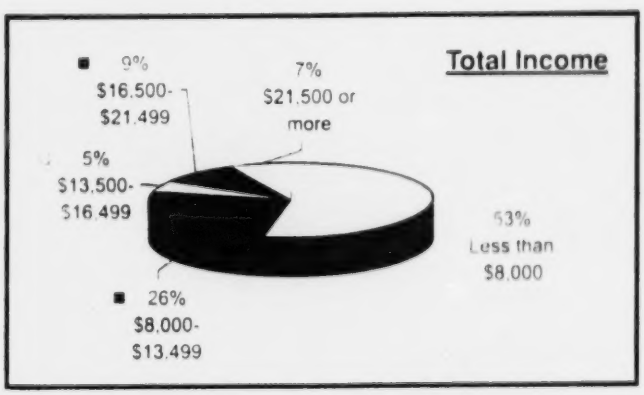

## *Do caseload reductions mean greater self-sufficiency?*

Although some families are dropped from the TAF program for not complying with work-related requirements, the majority leave after finding jobs. The dramatic reductions in the number of TAF recipients could suggest that a large percentage of those who left the program would now be better off after joining the work force. However, the recently released SRS survey of closed cases showed that while 49 percent of the former recipients who responded to questions a year after leaving TAF believed their families were better off financially, 20 percent said they were about the same, and 30 percent said their financial condition was worse. [6] Results of the *Kansas Standard of Need and Self-Sufficiency Study*, recently released by Kansas State University, help explain why.

## **Emergency Assistance Survey:** Family income

The mean income of families with children was approximately $12,990. More than half (53 percent) of the families with children reported a total family income of less than $8,000 annually. Another 17 percent reported a total income of between $8,500 and $11,000. In all, 84 percent of respondents reported a total income less than $16,500. (The federal poverty level for a family of four is $17,050.)

Among the survey's families with children, 44 percent of families who stopped receiving TAF payments reported job earnings. Analyzing this group even further, one in five wage-earning families that stopped receiving TAF funds reported wages of $5.25 per hour or less, 78 percent reported incomes below $8,000 per year, and more than nine in 10 reported wages less than $8.50 per hour.




**Total income of families responding to emergency asistance survey**

The following results were obtained when emergency assistance participants were asked whether they were better or worse off than last year:

**Better:** 21% **Same:** 50%
**Worse:** 28%

## ADEQUATE, BUT AUSTERE -- WHAT IT COSTS TO LIVE IN KANSAS

### Self-Sufficiency Table (Table II)

| | Single Adult | Adult, Infant | Adult, Infant, Preschooler | Adult, Preschooler Schoolage | Adult, Schoolage, Teen | Adult, Infant, Preschooler Schoolage, | Two Adults Preschooler Schoolage |
|---|---|---|---|---|---|---|---|
| **Housing** | $377.10 | $377.10 | $480.02 | $480.02 | $480.02 | $643.36 | $480.02 |
| **Child Care** | — | $529.05 | $974.68 | $635.77 | $190.14 | $1,164.81 | $635.77 |
| **Food** | $164.29 | $241.96 | $325.85 | $364.60 | $431.69 | $430.69 | $503.71 |
| **Transportation** | $193 | $193 | $193 | $193 | $193 | $193 | $193 |
| **Medical Care** | $65.81 | $196.18 | $204.37 | $196.18 | $196.18 | $204.37 | $226.37 |
| **Miscellaneous** | $80.02 | $153.73 | $217.79 | $186.96 | $149.10 | $263.62 | $223.19 |
| **Total Taxes** | $189.69 | $163.71 | $378.09 | $148.96 | $-63.99 | $473.33 | $317.63 |
| **Monthly Earnings** | $1,069.91 | $1,854.71 | $2,773.81 | $2,205.50 | $1,576.15 | $3,373.19 | $2,772.68 |
| **Hourly Wage** | $6.42 | $11.13 | $16.64 | $13.23 | $9.46 | $20.24 | $16.64** |
| **Living Wage Gap*** | **-$1.27** | **-$5.98** | **-$11.49** | **-$8.08** | **-$4.31** | **-$15.09** | **-$6.34**** |

* The difference between the hourly wage needed to enable a family to be self-sufficient and the federal minimum wage.
** Combined hourly wage rates for two earners in the household

The study, commissioned by SRS to aid the department in planning programs for Kansas families, provides data on the income needed by Kansas families with children to meet basic needs in 1999. Two distinct approaches were taken in analyzing the data: developing a **Self-Sufficiency Standard** and determining a **Standard of Need**. [7]

## *Costs of living in Kansas*

I. The **Self-Sufficiency Standard** attempts to estimate the amount of household earned income needed to assure a household's total independence from all private and public subsidies. Researchers strove for "an adequate but austere" standard, meaning one in which families could maintain an adequate standard of living (minimal nutritional standards, basic housing that is not overcrowded or substandard, etc.) without having to choose between basic necessities, such as food or medical care.

The income needed for self-sufficiency varies depending on family composition; for example, a single parent with an infant and a preschooler needs a greater income than a single parent with a teenager and a school-age child to be self-sufficient, primarily because of the costs of child care. To reflect this reality, the self-sufficiency table, Table II, provides an analysis of various household expenses for several family types, along with monthly earnings and hourly wages necessary to meet those expenses. The income needed to be truly self-sufficient can be thought of as a *living wage*.

Using the families in our United Community Services emergency assistance survey as a comparison sample, it is easy to see how far many low-income families in Kansas are from being self-sufficient. For example, when monthly earnings are converted to annual earnings, a single parent with a preschooler and a school-age child would require an annual income of $26,466 to be self-sufficient. By contrast, that same single mother with two children becomes ineligible for TAF assistance if she works full time and makes more than $4.10 per hour. In Kansas, families whose income is more than

40 percent of the poverty level ($14,150 per year for a family of three) become ineligible for TAF.

As the emergency assistance income data on the previous page shows, the mean income of the survey's families with children was approximately $12,990.

In addition, the "living wage gap" line (the difference between the hourly wage needed to enable a family to be self-sufficient and the federal minimum wage) at the bottom of the self-sufficiency table further illustrates how far short the minimum wage of $5.15 per hour falls from providing a family with a living wage. As the emergency assistance survey income data show, only one in 10 wage-earning families reported wages more than $8.50 per hour.

II. The **Standard of Need**, defined as the monthly, after-taxes income needed by families with children on public assistance to meet basic needs in 1999, was arrived at by determining the sum of the outlays necessary in several consumption categories: food, housing, transportation and other categories, such as telephone, clothing and medicine.

Some categories of need, such as medical insurance costs and child care costs were not included in the Standard of Need because benefits for these categories are provided in the TAF program.

Among other things, the Standard of Need table, Table III, demonstrates the gap between the state's TAF payments plus food stamp supplements and what it takes to provide for the basic needs of typical, single female-headed households on cash assistance. In Table III, the sum of the maximum TAF benefit that most Kansas families can receive and the maximum food stamp benefit is subtracted from the study's proposed standard of need for each family size to show how much additional monthly income families require to meet their basic needs. That difference, shown in the "Need / Benefits Gap" line, reveals how difficult it is to meet those needs during the short yet critical span of time when adult recipients are trying to prepare for and find permanent jobs. (Families remain on the program an average of 11 months; 59 percent leave the program within one year.)

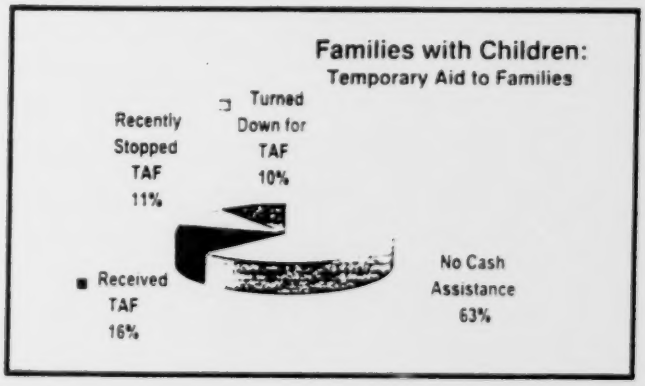
The numbers make it clear why the *Kansas Standard of Need and Self-Sufficiency Study* states, "Comparison of the standard of need for Kansas households with the maximum benefits a household of the same size could receive in TANF payments and Food Stamps indicates that the current benefit levels are considerably less than the proposed standard." [8]

Welfare benefits in Kansas have not increased since 1992, four years before welfare reform began.

## **Emergency Assistance Survey:** Cash assistance status

Of the 1,244 families with children responding to this survey:

- 63 percent did not have a recent history of receiving TAF benefits when surveyed;
- 16 percent were receiving TAF benefits at the time of the survey;
- 11 percent had recently (within the past six months) stopped receiving TAF assistance;
- 10 percent had recently been denied TAF benefits.



**Kansas Standard of Need, Assistance Maximums and Need/Benefits Gap for Single Female-Headed Households (Table III)**

| Family size | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|---|
| Max TANF | $224 | $309 | $386 | $454 | $515 | $576 | $637 | $698 |
| Max Food Stamps | $125 | $230 | $329 | $419 | $497 | $597 | $659 | $754 |
| Max Combined TANF & Food Stamps | $349 | $539 | $715 | $873 | $1,012 | $1,173 | $1,296 | $1,452 |
| KSU Standard of Need | $852 | $1,013 | $1,282 | $1,425 | $1,692 | $1,878 | $2,155 | $2,320 |
| **Need / Benefits Gap** | **-$503** | **-$474** | **-$567** | **-$552** | **-$680** | **-$705** | **-$859** | **-$868** |

The gap between the cash and food stamp benefits TAF recipients receive and what they need to sustain themselves while enrolled in the program, coupled with the living wage gap these families are likely to confront once they find jobs and leave the program, underscores the crucial role played by job preparedness programs; child support payments that so many single-parent families rely on; and several critical transitional benefits -- food stamps, child care assistance, and Medicaid and health care.

## *Denials and sanctions*

Kansas is one of the nation's leaders in sanctioning families, according to a General Accounting Office report released in early April 2000. [9] The report, based on information supplied by states to the Department of Health and Human Services, shows that in 1999 Kansas ranked ninth in the percentage of the state's welfare caseload slapped with a full-family sanction in an average month (2.25 percent).

**In 1999 Kansas ranked ninth in the percentage of the state's welfare caseload slapped with a full-family sanction in an average month (2.25 percent).**

The number of case closures due to full-family sanctions in an average month is 302 in Kansas. On average, 240 are sanctioned for noncompliance with work requirements, and 62 are sanctioned for not complying with child support enforcement efforts.

The *full-family sanction*, the practice of terminating a benefit for the whole family for not complying with TAF requirements instead of removing only the offending adult's benefit, is among the most controversial of the state's sanctions policies. Critics of this policy charge that the practice punishes innocent children for the mistakes or noncompliance of adults. Kansas first implemented the full-family sanction in March 1997; although 31 states use the full-family sanction in some cases, Kansas is one of 17 states that applies the full-family sanction in all cases of noncompliance.

Kansas also was one of 15 states in 1998 that reduced families' food stamp benefits by 100 percent for noncompliance with TANF work requirements. The federal government ordered the practice stopped in April 1999.

The GAO report also notes that families who are sanctioned tend to be those with the most barriers to employment. These families normally work fewer hours per week than families with few or no barriers to employment, and when they do work, they earn less.

Examples of why families may be sanctioned for noncompliance include: not attending orientations, groups, classes, appointments, etc.; chronic tardiness; failure to provide requested information or written verifications; failure to follow through on expectations established in the employment plan; refusing a job referral; termination from a job; quitting a job, or voluntary reduction in hours of employment. [10]

Kansas' high rate of case closures due to full-family sanctions may help explain why it also has been among the leading states in reducing the number of families that receive cash assistance. At the least, the commonly held perception that most families leave TAF after finding employment are suspect in light of other data available.

The reality, in fact, may be closer to findings in SRS's closed cases survey, where about 40 percent of former recipients said they were employed. [11]

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[1] State by State Welfare Caseloads Since 1993 (Recipients). The Administration for Children and Families, U.S. Department of Health and Human Services.
[2] *2000 Fingertip Facts.* Kansas Department of Social and Rehabilitation Services. January 2000.
[3] The *Kansas Learning Disabilities Initiative.* Martin Gerry & Candace Shively. National Technical Assistance Center for Welfare Reform. University of Kansas and Kansas Department of Social and Rehabilitative Services. January 1999.
[4] A *Survey of Kansas Households Leaving the Temporary Assistance for Families Program.* Kansas Department of Social and Rehabilitation Services. March 2000.
[5] Families Who Left Welfare: Who are They and How Are They Doing? Pamela Loprest. Urban Institute. 1997.
[6] A *Survey of Kansas Households Leaving the Temporary Assistance for Families Program.* Kansas Department of Social and Rehabilitation Services. March 2000.
[7] *Kansas Standard of Need and Self-Sufficiency Study, 1999.* Jacquie Gibbons, Bernt Bratsberg, Leonard Bloomquist. Kansas State University. January 2000. Tables II and III in this report are adapted from tables in the KSU study.
[8] Ibid.
[9] State *Sanction Policies and Number of Families Affected.* General Accounting Office. April 2000.
[10] *Kansas Welfare-to-Work Policies and Procedures.* Kansas Department of Social and Rehabilitation Services. January 2000.
[11] *A Survey of Kansas Households Leaving the Temporary Assistance for Families Program.* Kansas Department of Social and Rehabilitation Services. March 2000.

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## Searching for self-sufficiency: a Kansas family story

Nancy, a 26-year-old mother of three children, was homeless when she first came to the community assistance site. She recently had undergone surgery, lost her job and been evicted from her apartment, so she and her children had been living in her car and occasionally with friends or family.

Workers at the emergency assistance center encouraged Nancy to contact SRS and apply for assistance. She was reluctant to do so because she believed recent changes in federal law made her ineligible for any benefits. She was surprised to learn she was eligible for food stamps, TAF and medical assistance. When the strain of daily homeless life was relieved, Nancy found another job at $1,200 per month. Food stamps and other transitional supports continue to help her on the road back to self-sufficiency, but she says she never would have approached SRS without the encouragement of community agency staff.

# WORK AND WORK PROGRAMS

## The Nation

A National Center for Children in Poverty report highlights two findings with respect to the work requirements of welfare reform.

1. A majority of surveys and reports show that most recipients (50-70 percent) who leave state TANF programs are finding jobs.[1] This rate is approximately 5-10 percent higher than under the old Aid to Families With Dependent Children program. Employment rates among those who are sanctioned for not complying with new requirements is significantly lower, ranging from 20 to 50 percent.
2. Most of these jobs, in the services and retail trade, pay between $5.50 and $7 per hour. Although this is higher than federal minimum wage, it is not enough to raise families out of poverty. Thus, many families have taken an important step in the direction of self-sufficiency and at the same time have increased the ranks of the working poor.

## Kansas

The 1996 Personal Responsibility and Work Opportunity Reconciliation Act established work participation requirements that states must meet to avoid financial penalties. Kansas officials understandably focus considerable attention on meeting these requirements, which increase annually.

> ***"In general, adult welfare recipients are expected to become self-sufficient within a 60-month period of time. An individual or a family is considered entirely "self-sufficient" under the Welfare-to-Work philosophy when no longer receiving any kind of assistance where income is considered a criteria for eligibility (i.e. food stamps, child care assistance, etc.)"***
> **--Kansas Economic and Employment Support Commission, Welfare-to-Work guidelines**

Twenty-five percent of all families in each state must have been engaged in work activities or have left the rolls in fiscal year (FY) 1997, rising to 50 percent in FY 2002. Parents must participate for at least 20 hours per week the first year, increasing to at least 30 hours per week by FY 2000. Two-parent families in Kansas are required to log 40 hours of participation; adults with children older than 1 year must participate for 30 hours.

A state exemption from work requirements for adults with disabilities was allowed to expire in April 1999 because the federal government doesn't exempt persons with disabilities from the 60-month limit. This may have increasing implications if the large number of recipients with multiple barriers to work continues to increase, as seems likely. A report released in January 1999 showed that of 7,350 adult recipients in the state's nonexempt group of TAF recipients an estimated 30 percent had learning disabilities, 26 percent had IQs below 80, and 20 percent had substance abuse problems.[2]

Table IV

**Adults in TAF Work Programs Fiscal Years 1996-2000 YTD**

| Fiscal Year | Average Monthly Adults |
|---|---|
| 1996 | 6,478 |
| 1997 | 6,280 |
| 1998 | 5,963 |
| 1999 | 6,280 |
| 2000 YTD* | 7,711 |

* July 1999 - January 2000

An average of 6,280 adults participated in work programs each month in fiscal year 1999 at an average monthly cost of $93.70 per person.[3] The state projects an average of 7,300 participants each month for the next two years. Besides subsidized and unsubsidized employment, allowable work activities include a variety of vocational education and job skills training, GED class attendance, community service, etc.

## **Emergency Assistance Survey:** Work and work programs

Of the 1,244 households with children who responded to the survey, 48 percent reported that at least one family member is employed. Of those who are employed, 85.5 percent work more than 20 hours per week. Among these "wage-earning families," 40 percent earn less than $10,450 annually. Another 53 percent of wage-earning families have annual earnings between $10,450 and $20,850. The fact that the federal poverty line for a family of four is approximately $17,050 would suggest that well over half of these wage-earning families would be classified as among the working poor.

Among families responding to the survey, 44 percent of families who stopped receiving TAF payments reported job earnings; however, one out of four families (26 percent) who stopped receiving TAF payments within the last six months also reported losing jobs during that same period. Studies of welfare reform throughout the nation consistently link this rate of job loss to families' inability to tap into socioeconomic supports, such as food stamps, child care and Medicaid, for which most families are still eligible.

*One of the most significant findings is that adults in 48 percent of all households with children said they would like job training that would help them secure a better job.* Desire for more job training was especially high among families that no longer received TAF (62 percent), and families that had been turned down for the TAF program (65 percent).

Of the 12,866 families receiving TAF payments in fiscal year 1999, 4,356 were child-only cases. By May 2000, that number had changed to 4,365 child-only cases, or 36 percent of the 12,073 total TAF cases in May 2000. [4] Adults with children younger than age 1 are exempt from work participation requirements. In May 2000, 2,092 were cases with children younger than age 1.

**TAF Work Program (Table V)**

| Category | FY 2000 |
|---|---|
| Employment (P) | 33.2% |
| Job Search (P) | 28.9% |
| Job Readiness (P) | 21.9% |
| Work Experience (P) | 6.4% |
| On-the-Job Training (P) | 1.9% |
| Vocational Educational Training (P) | 1% |
| Community Service Program (P) | .2% |
| Secondary Education (S) | 5.3% |
| Job Skills Directly (S) Related to Employment | 1.2% |

The number of TAF recipients participating in work programs, as Table IV shows, has remained fairly constant since 1996. The three largest components of the Kansas TAF Kansas Works program (Table V) are Job Search (28.9 percent), Job Readiness (21.9 percent) and Employment (33.2 percent). Many recipients participate in more than one component.

Kansas separates allowable work activities into two areas, "primary" and "secondary" components. For all parents other than pregnant or parenting teens, Education and Training components are secondary (marked in Table V with a "P"; the others listed in Table V are primary components. Single parents must log at least 20 hours in primary components.

In Job Search, TAF recipients are expected to spend part of each week looking for a job. Job Readiness includes activities such as employment counseling and job coaching, and provides recipients with the day-to-day life skills and habits employers expect their employees to possess. One-third of TAF recipients are employed but do not earn enough to disqualify them from the program.

A description of the state's employment preparation program, Kansas Works, states "Job Skills

Training/ Vocational Education should be approved only after actual participation in job readiness, job search or work experience for a minimum of three months has been documented."[5] This would partially explain why few recipients receive skill-specific training that could lead to better paying jobs, since after three months many TAF recipients already would have been placed in jobs, normally jobs with few benefits and wages too low to lift a family out of poverty.

> ***"'A working lifestyle is a better lifestyle. . .we expect you to work.' This is the message now being communicated to all welfare applicants and recipients. Kansas Works has been inaugurated as a 'work first' program."***
>
> **--Kansas Works Program Guidelines**

Thus, the TAF work program primarily serves to provide TAF recipients with the life skills necessary to function successfully in the work place and require that they spend an adequate amount of time searching for a job. Little emphasis is placed on providing recipients with the kind of skill-specific training that could lead to securing a living wage for them and their families.

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[1] *Tracking Recipients After They Leave Welfare*. Jack Tweedle, Dana Reichert, Matthew O'Connor.National Conference of State Legislatures.

[2] *The Kansas Learning Disabilities Initiative*. Martin Gerry, Candace Shively. National Technical Assistance Center for Welfare Reform. University of Kansas and Kansas Department of Social and Rehabilitation Services. January 1999. These percentages are not cumulative.

[3] *2000 Finger-tip Facts*. Kansas Department of Social and Rehabilitation Services. January 2000.

[4] Kansas Economic and Employment Support Division, Kansas Department of Social and Rehabilitation Services. Jul 2000.

[5] Fact Sheet for Kansas Works. Kansas Department of Social and Rehabilitation Services, Economic and Employment Support Commission. March 2000.

## Searching for self-sufficiency: a Kansas family story

When Mary's husband deserted her and their seven children, ages 13 months to 15 years, she had no job skills and no financial means of support. During their 17 years of marriage, Mary had stayed at home to care for their large family while her husband earned a livable wage. Mary, 35, applied to the Kansas Department of Social and Rehabilitation Services for Temporary Assistance to Families and food stamps.

After completing the necessary paperwork, she learned that she must make a minimum of 10 job contacts a week. Her caseworker also told her that she was required to accept a job if one were offered, even if the wages would not cover the living expenses for a family of her size. She believed that if she declined a job offer, she would be considered non-compliant, would be sanctioned and therefore would lose any benefits. (SRS policy is that only TAF assistance would be affected by refusing a job.) She also mistakenly believed that if she found a job on her own, she would not be able to obtain child care assistance because she had been "non-compliant."

Mary continued to search for a job and seek help from a community emergency assistance site. Arranging child care to attend job interviews became one of her many obstacles to work. Meanwhile, her husband has begun paying a small amount of child support, but it is not enough to cover living expenses. Through the help of the assistance agency, she is attending computer classes to upgrade her skills to obtain a better job.

# THE FOOD STAMP PROGRAM

## *The Nation*

> ***In 1995, 88 children received food stamps for every 100 who were poor. By 1998, only about 70 children received food stamps for every 100 poor children.***
>
> **--Center on Budget and Policy Priorities**

As noted by the Center on Hunger and Poverty in its report, *Paradox of Our Times: Hunger in a Strong Economy*, the 1996 Personal Responsibility and Work Opportunity Act did more than change the way our nation aids poor families; it also changed, in a negative way, the relationship between cash assistance to poor families and the Food Stamp Program.[1]

Now, three years after welfare reform began, the Center on Hunger and Poverty notes two serious consequences:

- "A much greater decline in food stamp participation has occurred than is warranted by the improved economy and food stamp policy changes; and
- The resulting food stamp caseload decline has shifted more of the responsibility for food assistance from public programs to private emergency food programs."[2]

In fact, the lowest income households leaving state TANF programs also are leaving the Food Stamp Program. The Center cites data from the Urban Institute's 1997 National Survey of America's Families, which found that only about 54 percent of former welfare recipients with current incomes below 50 percent of the poverty line – the poorest of the poor — are receiving food stamps.[3] (Note: Families with incomes less than 130 percent of the federal poverty level may receive food stamps.)

Among the disturbing facts highlighted in the Center's report:

- "During fiscal year 1997 alone, the number of children living in poverty dropped by 3 percent while the number of children participating in the Food Stamp Program dropped about 10 percent.
- "In 1994, 94 percent of eligible poor children were receiving food stamps; by 1998 participation had decreased to 75 percent for eligible children living in poor families."

The report states: "The bottom line is that efforts to reduce the welfare rolls appear to have deepened the food insecurity of poor families by undercutting their food participation. An unintended consequence is that for millions of households, work force participation has been accompanied by hunger."[4]

Drawing together data from numerous state and national studies, the Center cited four reasons why so many of the poorest families have stopped using a program they need and for which they remain eligible:

- **Eligibility confusion** — Studies in Wisconsin, South Carolina and four large cities document that former welfare recipients believed that higher earnings and an end to cash assistance disqualified them from receiving food stamps and that caseworkers did not communicate to recipients that they remained eligible for food stamps and other benefits.
- **Administrative practices** – U.S. Department of Agriculture regional offices identified untimely application processing, lack of bilingual staff, confusion over eligibility rules and failure to inform applicants about food stamp availability as some of the practices that deter would-be food stamp applicants.
- **Burdensome application and recertification processes** – USDA found that, after misperceptions about eligibility, administrative burdens associated with applying for food stamps

were the most common reasons for not applying. The average application, USDA discovered, involved nearly five hours of client time, at least two trips to FSP offices and $10 of out-of-pocket expenses. Typical recertification required nearly 2.5 more hours, at least one more trip and $6 of expenses.

- **Asset limits and shelter cost caps** – The center concluded that unrealistic asset limits cause some families to lose their eligibility for food stamps. For example, the amount of the fair market value of a vehicle in excess of $4,650 is considered part of the countable resources a family can have and still remain eligible for food stamps. This limit "may place a hardship on a family that needs a reliable vehicle to get to work, something that might be hard to meet with the allowed $4,650," the report stated. [5] (Note: In Kansas, the first vehicle of families who receive TAF payments *and* food stamps is exempt from this market value cap. President Bill Clinton is urging Congress to pass legislation that would enable Kansas and other states to extend that exemption to families who receive food stamps only.)

## *Kansas*

In fiscal year 1999, an average of 50,336 Kansas households (110,767 persons) received food stamps each month; the average household benefit was $131.95 per month. Approximately 48 percent of food stamp recipients were children. [6]

Only three states had a more dismal record in 1998 than Kansas in keeping those who are eligible for food stamps enrolled in the Food Stamp Program. [7]

Between 1996 and 1998, Kansas experienced a 30.6 percent decline in the number of individuals participating in the program, a decline exceeded only by Wisconsin, Texas and Arizona.

Table VI

**Kansas Households Receiving Food Stamps Fiscal Years 1996- 2000 YTD**

| Fiscal Year | Average Monthly Households | Expenditures |
|---|---|---|
| 1996 | 72,795 | $140.4 million |
| 1997 | 66,495 | $120.6 million |
| 1998 | 53,443 | $87.3 million |
| 1999 | 50,336 | $79.7 million |
| 2000 YTD | 50,804* | $74.4 million** |

* July 1999 - January 2000
** Through May 2000

As the trend table above shows, the average number of Kansas households receiving food stamps each month dropped by 22,459, or almost one-third, between 1996 and the end of fiscal year 1999. Data for the first half of fiscal year 2000 suggests that this trend may have ended, but the average number of households receiving food stamps each month still is about 30 percent less than it was before welfare reform began.

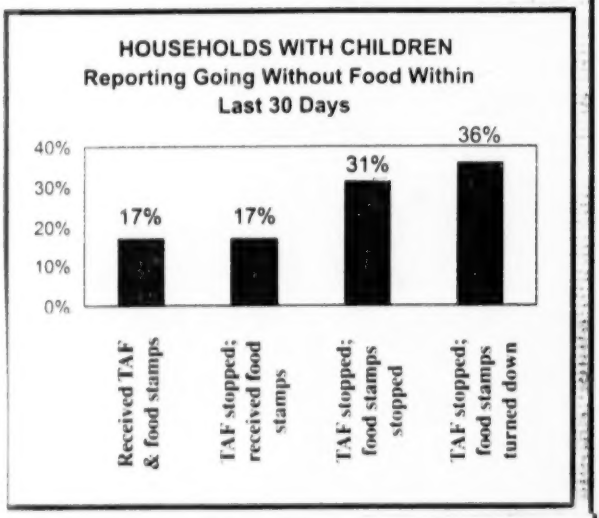
Much of the drop in participation takes place when families leave the TAF program. The recently released SRS survey of Kansas households leaving TAF showed that the percentage of families receiving food stamps dropped from 89 percent to 34 percent within a year of leaving the program. [8]

**Only three states had a more dismal record in 1998 than Kansas in keeping those who are eligible for food stamps enrolled in the Food Stamp Program.**

It is not clear what role the state's former full-family sanction policy may have played in the reductions. The full-family sanction is the practice of terminating a benefit for the whole family for not complying with TAF requirements instead of removing only the offending adult's benefit. Kansas used to apply full-family sanctions in the Food Stamp Program until April 1999, when the federal government required the state to eliminate the practice.

## **Emergency Assistance Survey:** Food Supplements

Fifty-three percent of those who stopped receiving TAF payments in the last six months continue to receive food stamps (up from 40 percent in last year's survey). Forty percent of those who were turned down for cash assistance receive food stamps (up from 30 percent last year). The increase from last year may indicate improvements in efforts by SRS to inform families about benefits for which they are eligible.




Other survey data suggest that many families still urgently need help in filling their nutritional needs:

- Thirty-eight percent of families with children surveyed reported using a food pantry or soup kitchen more often in recent months. An even higher percentage (57 percent) of those households recently denied TAF assistance said they turn to food banks more often.
- More than one-half of the families in Finney (71 percent) and Johnson (55 percent) counties reported a greater reliance on food pantries.
- Twenty-six percent reported that a family member had gone without food for a day or more in the last 30 days because they were unable to afford it.

Children of needy families will have a better chance of reaching their full potential if their nutritional needs are met. To a single mother with two children who pays $300 each month in rent, the $250 per month in food stamps that she is eligible to receive can be a substantial benefit.

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[1] *Paradox of Our Times: Hunger in a Strong Economy*. P. 12. Center on Hunger and Poverty. January 2000.
[2] Ibid. p. 14
[3] Ibid. p. 15.
[4] Ibid. p. 16.
[5] Ibid. p. 17.
[6] *2000 Fingertip Facts*. Kansas Department of Social and Rehabilitation Services. January 2000.
[7] *Food Stamp Program: Various Factors Have Led to Declining Participation*. U.S. Government Accounting Office. July 1999.
[8] *A Survey of Kansas Households leaving the Temporary Assistance for Families Program*. Kansas Department of Social and Rehabilitation Services. March 2000.

# CHILD CARE ASSISTANCE

## The Nation

> ***"It is not the expectation of the programs that the family will be able to reach its complete self-sufficiency goal in the duration of the Employment Preparations Service participation. Planning can and should encompass all possible financial resources other than cash assistance including child support, Earned Income Tax Credit, social security, child care, etc."***
>
> **--"Employment Focus," Kansas Works Employment Preparations Service, SRS Economic Employment and Support**

Less than 50 percent of working families who have left welfare received child care assistance, and only about 40 percent of families were aware of the availability of such subsidies. [1] Findings in the recently released Children's Aid Society of New York report [2] are typical of studies done on child care. The study found: that families with annual incomes between $6,000 and $12,000 spent between 20 percent and 50 percent of their total incomes on child care; that many parents participating in welfare-to-work activities did not know that transitional child care benefits were available after they left the cash benefit program for work; and that many parents missed some work, lost jobs or were unable to work because of child care costs and/or an inability to find quality child care.

Researchers in this area of welfare reform have recommended that states: 1) find out why those who leave welfare programs are not always informed about child care subsidies, 2) work harder to inform working families of their eligibility for subsidies when they leave the program, and 3) enlist the aid of child care administrators in that effort.

## Kansas

In Kansas, child care subsidies are available for: 1) TAF recipients who need child care for employment or while participating in an approved education/training program, 2) employed persons no longer eligible for TAF due to increased hours and/or increased income, but who need child care in order to continue employment, and 3) employed parents who earn less than 185% of the Federal Poverty Level. A mother with two children making $15,000 a year would pay $69 per month as her share of child care costs. The same mother would pay $118 per month if her income were $16,500.

**Table VII**

**Families Receiving Child Care Assistance Fiscal Years 1996-2000 YTD**

| Fiscal Year | Average Monthly Children | Expenditures |
|---|---|---|
| 1996 | 13,107 | $27,278,340 |
| 1997 | 12,144 | $27,989,474 |
| 1998 | 12,617 | $32,851,350 |
| 1999 | 13,232 | $37,610,070 |
| 2000YTD* | 14,385 | $33,027,768 |

* July 1999-March 2000

As Table VII shows, the number of children receiving child care assistance dipped in fiscal 1997 but has risen slightly each year since.

Unlike Food Stamps and Medicaid, where participation rates were high among TAF recipients, the SRS survey of families leaving TAF showed that only about 8 percent of families were availing themselves of child care subsidies. [1] The percentage did not change appreciably after they left the TAF program.

The recent Kansas Standard of Need Study research also suggested that few Kansas households utilize out-of-home child care. The study's authors listed access, cost, lack of trust, preference for using relatives or family friends and the difficulty of finding professional child care for other than "eight-to-five" work schedules as possible explanations, but no real extensive data exists.

## Emergency Assistance Survey: *Child Care Assistance*

Responses to questions pertaining to child care are among the most perplexing in the survey. Only 4 percent of households with children reported utilizing the child-care subsidy, although 24 percent said they have had a hard time paying for child care during the last six months. Almost all the families with children surveyed, including those with working adults, had incomes that would qualify for child care.

Even more perplexing is that nearly one in three families (32 percent) whose cash payments stopped or who were turned down reported difficulty paying for child care, yet only 6 percent of those same families accessed the state's child care subsidy. Two out of three of these households reported preschool-age children, age 4 and younger.

One out of five families reported infants younger than 1; as the KSU Standard of Need Study shows, these families face the highest costs for child care outside the home.

SRS Secretary Janet Schalansky has called high quality child care a key part of the state's welfare reform strategy, and prompted by Governor Bill Graves' recommendation, the 2000 Legislature increased funding in FY 2000 and FY 2001 for additional child care assistance to individuals making the transition from welfare to the work force. Kansas now has reached the limit of federal funding for child care, so that future funds must come either from state general funds or from TAF money that the state currently channels to foster care programs.

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[1] Welfare Reform at Three-- Is a New Consensus Emerging? J. Lawrence Aber. *News & Issues*, Winter 2000. National Center for Children in Poverty.

[2] The Human Cost of Waiting for Child Care. The Children's Aid Society of New York.

[3] *A Survey of Kansas Households Leaving the Temporary Assistance for Families Program.* Kansas Department of Social and Rehabilitation Services. March 2000.

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## Searching for self-sufficiency: a Kansas family story

Ellen, 21, has three children, 3, 2 and 1 month. After her baby was born, she left her husband, who abused alcohol and drugs, a recurring problem. The community assistance agency and her parents helped her secure housing.

Ellen wanted to get skills training so she could better her children's lives. SRS told her that as long as the baby was younger than 1 year, she could stay home and still receive TAF. But, if she decided to go to school or get some training, that would prove she was able to work, and her assistance status would change.

Ellen decided it would be too stressful to work, go to school and care for three children younger than 4 by herself. She decided to stay home, but she soon discovered that she was unable to provide for her family. At one point, she tried to work out her marital differences to make ends meet. Ellen's children now are in foster care, and her parents continue to try to help her.

# MEDICAID AND HEALTH CARE

## The Nation

Children ages 1-5 whose family's income is within 133 percent of the poverty line, and children ages 6-18 whose family's income falls below the poverty line are eligible for Medicaid coverage, regardless of whether they receive cash payments. When determining a family's eligibility for Medicaid, states must use an asset limit test to decide what counts as an asset to be added to family income. States also must provide Medicaid to parents of families whose income is less than 55 percent of the poverty line.

As with other benefits programs, enrollment in health insurance programs have dropped in the wake of welfare reform. An Urban Institute study on Medicaid coverage shows that the number and percentage of children and parents enrolled in Medicaid dropped nationally from 41.7 million in fiscal year 1995 to 41.3 million in 1996 and to 40.6 million in 1997, a 2.7 percent overall decline.[1] Sharp reductions in enrollment of adults and children receiving welfare accounted for most of the drop.

For example, a Families USA study of efforts in 12 states to enroll uninsured children in the federal Child Health Insurance Program found that fewer children were covered by CHIP programs and Medicaid combined in 1999 than were covered by Medicaid alone in 1996. Families USA executive director, Ron Pollack, blamed the decline in coverage of about 220,000 children on "the states' shoddy implementation of welfare reform."[2] The Urban Institute study, which looked at all states, found that the share of low-income children with Medicaid fell from 40.1 percent in 1995 to 35.7 percent in 1998, while the number of the uninsured rose from 24.6 percent to 27.9 percent.[3]

Eligibility for Medicaid is no longer tied to participation in the TANF program, so whether or not low-income families receive cash payments should not be a factor in whether they qualify for Medicaid.

Under the old Aid to Families with Dependent Children rules, families could exempt $1,000 in assets counted along with their income when determining eligibility, and states disregarded the value of a family's home and the equity value of one car up to $1,500. Most states, including Kansas, now disregard the total value of one vehicle. In addition, states now have the option of easing or even effectively eliminating the asset limit used to determine whether families with children are eligible for Medicaid by "disregarding," or not counting, the value of assets far beyond the old $1,000 limit.

Eight states, including Missouri and Oklahoma, have no asset limit. Many other states, including Nebraska ($6,000), have higher limits than Kansas ($2,000). Kansas thus has the option of raising its disregard limit to enable more working parents to receive Medicaid coverage.

Nationally, about 49 percent of working poor parents are uninsured.[4] As the ranks of the working poor continue to swell under welfare reform, this percentage is likely to grow unless states take action. Recent changes in the law allow states to extend Medicaid coverage to more low-income working parents. Other recent changes in federal law provide states with other options for extending coverage to poor working parents, such as bypassing the 100-hour rule used to limit the eligibility of two-parent families.

## Kansas

Approximately 200,000 Kansans currently receive health care services through Medicaid.[5] To its credit, Kansas has eliminated the 100-hour rule that disqualified parents in two-parent families from Medicaid coverage if the principle wage earner works more than 100 hours a month. The Kansas Business Health Partnership Act, which enables small businesses to receive refundable tax credits for providing health insurance to eligible employees, also is a step in the right direction to help ensure that low-income families receive coverage.

Because the new opportunities described above are Medicaid options, the federal government will finance from 50 to 80 percent of the cost of coverage for low-income parents, with the exact portion determined by each state's regular Medicaid Matching Rate. Kansas' matching rate is 59.7 percent.[6]

The recently released survey of Kansas households leaving TAF showed that the percentage of families receiving Medicaid dropped from 100 percent to 61 percent within a year of leaving the program.[7] Table VIII records the decline in the number of families receiving Medicaid between 1996 and 1999, a trend that appears to have stopped in FY 2000.

Table VIII

**Medicaid Caseload FY 1999-2000 YTD**

| Fiscal Year | Average Monthly Persons |
|---|---|
| 1996 | 195,139 |
| 1997 | 189,587 |
| 1998 | 177,569 |
| 1999 | 173,939 |
| 2000 YTD* | 187,245 |

*July 1999 - March 2000

In January 1999, an estimated 60,000 children in Kansas did not have health insurance. To address that, the state on Jan. 1, 1999, implemented HealthWave, Kansas' version of CHIP, to provide low- or no-cost medical coverage for children under age 19 in low-income families. HealthWave offers physical, mental and dental health services to uninsured children in families whose income is less than 200 percent of the federal poverty line. During the first year, 15,222 children were enrolled in the program. Moreover, an additional 17,092 children have been determined eligible for Medicaid as a result of HealthWave outreach efforts, so that more than 32,000 children who didn't have health coverage at the beginning of 1999 are now covered.

The American Academy of Pediatrics, which in 1998 estimated the number of uninsured children in Kansas at about 74,000, concluded that two-thirds of those uninsured children could receive coverage either through Medicaid or through CHIP.[8]

## Emergency Assistance Survey: Health care

Among families with children, 23 percent of respondents to the Emergency Assistance Survey found it more difficult in recent months to get health care for their children. Families who had applied and been turned down for cash assistance had the toughest time (44 percent) finding health care. Twenty-nine percent said they did not get medical care when it was needed during the last six months. The survey also found that:

- Two out of five (39 percent) families who recently left or were turned down for cash assistance find it hard to fulfill their work obligations due to significant health problems. An even larger number (54 percent) of families still receiving cash assistance reported health problems that make working difficult.
- One out of 10 households that recently stopped receiving cash assistance reported that they often take care of a sick or disabled family member. Of those recently turned down for welfare, one out of five reported taking care of a sick or disabled family member.
- Less than half (38 percent) of those who stopped receiving cash payments in the last six months continue to receive Medicaid.
- Less than one in three (29 percent) of those turned down for cash assistance receive Medicaid.

[1] *The Continuing Decline in Medicaid Coverage*. Leighton Ku and Brian Bruen. The Urban Institute.
[2] *One Step Forward, One Step Back*. Families USA. October 1999. Kansas is not one of the 12 states.
[3] *The Continuing Decline in Medicaid Coverage*. Leighton Ku and Brian Bruen. The Urban Institute.
[4] *Taking the Next Step*. Jocelyn Guyer & Cindy Mann. Center for Budget and Policy Priorities.
[5] Agency Update. SRS Secretary. Janet Schalansky's testimony before the House Appropriations Committee. Jan. 25, 2000.
[6] *Taking the Next Step*. Jocelyn Guyer & Cindy Mann. Center for Budget and Policy Priorities.
[7] *A Survey of Kansas Households leaving the Temporary Assistance for Families Program*. Kansas Department of Social and Rehabilitation Services. March 2000.
[8] Improving Access to Children's Health Insurance in Kansas. *Children's Health Insurance Fact Sheet -- 1998*. American Academy of Pediatrics. 1998.

# CHILD SUPPORT

## *The Nation*

According to Census Bureau data, in 1992 "11.5 million parents were raising children with an absent parent. Of those 11.5 million, only 54 percent had child support orders, and of the 5.3 million parents who had child support awarded and due, only half received the full amount due. About one-quarter received partial payment, and one-quarter did not receive anything at all."[1]

Recent changes in Welfare-to-Work grant programs administered by the Department of Labor are designed to help noncustodial low-income fathers develop skills to find and retain jobs that will lead to self-sufficiency for the father as well as increased child support of and involvement with their children. Noncustodial parents are eligible if they are having difficulty making child support payments and if their children are eligible for or receive welfare benefits, food stamps, Supplemental Security Income, Medicaid or Children's Health Insurance Program.

## *Kansas*

The Kansas Child Support Payment Center is scheduled to begin operating in October 2000. The new center is intended to help facilitate the Kansas Child Support Enforcement Program's efforts to make sure court-ordered child support payments are made to a parent with custody of the children.

The KCSE program assumes the obligation of meeting child support rights of children in families receiving TAF, and any support that KCSE collects is used to reimburse the state for public assistance provided to those families. KCSE has record of 69,896 child support court orders and receives at least partial payment on 45,351 cases, or 65 percent.[2]

Until the 2000 Legislative session, the state paid $40 a month in child support to about 2,000 low-income families in Kansas. Families that received these payments saw their Food Stamp benefits decreased by $13 a month. This year, SRS Secretary Schalansky urged lawmakers to end these "pass-through" payments because the state was required to reimburse the federal government $24 for each child support payment. As a result, low-income families netted only $27 per month from these payments, while Kansas paid a total of $64 per month ($40 to the family and $24 to the federal government.) The resulting higher cost of the $40 pass-through program prompted the Legislature to repeal the state's pass-through program.

Data from the Child Support Enforcement Program show that in fiscal year 1999 3,167 families, or 25 percent of families enrolled in TAF, were receiving child support in the month they left the public assistance roles.

**Emergency Assistance Survey:** *Child support*

As noted earlier, among households with children, 58 percent of respondents are single parents. Only 12 percent of these families receive child support payments every month, another 28 percent sometimes receive child support payments, and 60 percent do not receive child support.

Among these single-parent families that currently receive TAF cash payments, only 8 percent receive child support every month, 30 percent sometimes receive supports and 62 percent receive no child support.

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[1] *A Parent's Guide to Child Support*. March 1999. Children's Defense Fund.

[2] Kansas Department of Social and Rehabilitation Services. The number of cases include those families who receive TAF as well as any families that request KCSE aid in collecting child support.

## KANSAS LEAVERS SURVEY

*A Survey of Kansas Households Leaving the Temporary Assistance for Families Program*, a Kansas SRS project conducted between December 1997 and November 1998 and released in March 2000, surveyed 5 percent of families who had left the program. As already mentioned, families who left participated in Food Stamp and Medicaid programs at significantly lower rates, and 35 percent of the families returned to the TAF within a year, most within the first six months. [1] Among other findings:

- Only about 40 percent were employed a year later, most in sales/clerical or service occupations.
- About 56 percent of those who were working reported earnings of $7 per hour or less one year after leaving TAF.
- Among those who were unemployed, health, transportation and child care problems were most frequently cited as barriers to work.
- Respondents cited overdue bills and a lack of adequate food as their biggest problems.
- One in five reported having been evicted from their residence within the last 12 months.
- Almost one-third reported having their utilities turned off within the last 12 months.
- When asked if they were better or worse off a year after leaving TAF, 49 percent said they were better off, 20 percent said they were about the same, and 30 percent said they were worse off.

SRS warns that the low response rate of those surveyed means that much of the data should be used with caution, and the methodology employed suggests that the percentage of families that return to TAF may be significantly higher than 35 percent. In addition, the survey did not discover why more than one-third of the families returned to TAF, one of the project's primary objectives. The survey also did not learn why so many eligible families have stopped receiving food stamps and other transitional supplements.

On the plus side, policy experts at The National Association of Child Advocacy who examined the Kansas survey praised SRS's data collection strategy, calling it better than that used in most states. In addition, the survey provides the agency with data that will be very useful as it implements its "Phase II" (See page 28).

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[1] *A Survey of Kansas Households Leaving the Temporary Assistance for Families Program*. Kansas Department of Social and Rehabilitation Services. March 2000.

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## SRS INITIATES CHANGES

Recent developments suggest that the Kansas Department of Social and Rehabilitation Services is well on the way toward embracing some of this report's recommendations. In March, SRS officials announced that the agency will draw on lessons learned since 1996 and on information gleaned from the leavers survey to initiate "Phase II" of welfare reform in Kansas. SRS Secretary Schalansky said the agency "will begin augmenting the 'work first' philosophy used over the last five years with the additional focus on job retention skills and training to promote job advancement." [1]

Phase II will encompass strategies designed to help more TAF recipients and former TAF recipients retain their jobs, reduce the amount of time they spend between jobs, promote job advancement by providing access to training and education opportunities, and increase the number of

former TAF recipients who continue to access transitional supplements.

With respect to the last goal, Deputy Secretary Candy Shively said changes will entail making efforts to "maintain contact with families after they leave cash assistance to provide services which promote job retention and long-term career advancement."

Shively also said SRS will be working with the Kansas Department of Human Resources to "increase the amount of skills-based training for clients, even after they have left cash assistance." [2] This willingness to place greater emphasis on skill-specific training appears to be an acknowledgment of the limitations of the state's initial "work first" approach to welfare reform.

Another positive step may be SRS's new outreach campaign to work with United Way and faith-based organizations to identify and assist low-income families who qualify for various benefits.

These new developments, plus statements made by Secretary Schalansky since taking over at SRS, such as making the agency a resource, not a last resort, [3] are raising hopes that the agency will go as far as current state law allows in providing relief for poor families and their children.

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[1] SRS Study Finds Clients Leaving Public Assistance Continue to Struggle. Press release, Kansas Department of Social and Rehabilitation Services. March 2000.
[2] SRS Announces Major Reorganization. Press release, Kansas Department of Social and Rehabilitation Services. September 1999.
[3] SRS Study Finds Clients Leaving Public Assistance Continue to Struggle. Press release, Kansas Department of Social and Rehabilitation Services. March 2000.

## RECOMMENDATIONS

The true litmus test of Kansas' welfare reform efforts is not whether the ranks of those who receive state aid are thinned, but whether families escape poverty and become self-sufficient. Like most other states, Kansas has clearly succeeded in substantially reducing the number of families receiving cash assistance as a result of welfare reform, but many poor families, as the emergency assistance survey data show, are worse off. We make the following recommendations to help Kansas achieve the true goals of welfare reform. The recommendations begin with the following **priorities**.

> ***"I want SRS to be seen as a resource, not as the last resort."*** **--SRS Secretary Janet Schalansky**

### *Welfare Reform Priorities*

- **TRANSITIONAL SUPPLEMENTS. Caseworkers and others state employees who are "lifelines" to TAF recipients, former recipients and applicants who are turned down for cash supplements should make sure these families are aware of any benefits that they are eligible to receive.**

The spin-off success of HealthWave outreach efforts in finding more than 17,000 children who were eligible for Medicaid illustrates all too plainly how effective aggressive efforts to inform TAF recipients and former recipients of their benefits can be. We cannot overstate that the relationship between caseworker and TAF recipient should not end when a job begins and cash payments cease.

Most of these jobs begin at subsistence wages, without health or any other benefits. Meanwhile, transportation costs – and for households with children, child care costs – can become formidable hurdles that most former recipients will need help in surmounting as they struggle to achieve genuine self-sufficiency. It is imperative that SRS caseworkers aid former recipients in navigating through the bureaucratic maze to access any and all transitional supplements to which they are entitled. Such dedication may very well be the critical factor in determining whether a former welfare recipient becomes a permanent member of the work force and whether their children escape the perils and stigma of poverty.

➲ **JOB TRAINING. Emphasize job readiness and training programs. Specifically:**

1. **Kansas should increase by $2.3 million the size of its match to federal funds to receive the full $4.6 million available from the federal government for the Welfare-to-Work Program.**

In their efforts to reduce the costs of state government, lawmakers should ask themselves whether it makes sense to cut back on programs in ways that reduce the amount of federal funds available to fight poverty in Kansas. By cutting back $2.3 million on what it dedicates to job training for caretakers with multiple barriers to work, Kansas is reducing the amount of funds available for job training. This is shortsighted, because job training is the long-term answer to welfare reform.

2. **The state should dedicate a larger percentage of the federal government's TANF block grant to short-term, skill-specific training.**

Ending dependence of needy parents on government benefits by promoting job preparation is one of the expressed purposes of the Personal Responsibility and Work Opportunity Reconciliation Act and the block grants that the federal government makes available to the states. Redirecting almost one-half of the federal government's grant into foster care severely limits the state's ability to adequately fund job readiness programs. This practice also leaves the state's foster care program vulnerable to future federal cutbacks in these block grants. Kansas should stop using federal funds to pay for programs that were previously paid for with state funds.

## *Other Recommendations*

➲ **HEALTH CARE.** Make health care more affordable for more low-income families. Specifically:

1. **Remove or at least raise from $2,000 to $6,000 the asset limit for Medicaid so that more low-income working parents with children can qualify for Medicaid coverage.**

The large percentage of parents that find it hard to fulfill their work obligations due to significant health problems underscores the importance of providing cost-effective health benefits to families making the transition from welfare to work. Adults making the transition from welfare to work face many stressful situations that can threaten health.

2. **Make full use of the federal Medicaid Matching Rate to maximize protection for low-income working parents.**

Again, taking full advantage of matching funds is a most cost-effective approach to battling poverty.

➲ **CHILD CARE. Determine why more eligible parents do not take advantage of the state's child care subsidies, and develop a plan for ensuring that their children receive quality child care while the parents are at work and/or while they are receiving job training.**

Child care availability and cost are pivotal for establishing the self-sufficiency of single adult families with children. The state has an obligation to children to see that they are not unattended while

their parents are at work or enrolled in a jobs training program. To the extent that a lack of affordable child care prevents parents from staying with new jobs and becoming self-sufficient, the state is failing to meet the true goals of welfare reform.

- **CHILD SUPPORT. Kansas should remain committed to assisting low-income families that rely on child support payment.**

Whether they receive the child support payments from a parent who lives elsewhere can be a crucial factor in ensuring that children in low-income families receive everything they need for healthy development. Unfortunately, as mentioned on page 25, the higher cost of the $40 pass-through program resulting from the state's obligations to pay a portion to the federal government prompted the Legislature to repeal the state's pass-through program. We would encourage SRS to explore other ways to assist children in families entitled to child support. One way to accomplish that would be to help noncustodial parents prepare for the workplace and find jobs by taking full advantage of changes in the Welfare-to-Work program.

- **TAF PROGRAM. Increase the size of TAF payments made to eligible families to better reflect the costs of raising families.**

As can be seen from the Kansas State University *Kansas Standard of Need* study, TAF benefits plus Food Stamp program benefits combined do not come close to the costs of raising children in Kansas. The state easily could pay for a sufficient increase out of the block grant it receives because most families participate in the TAF program for less than a year. Heads of households need a higher level of cash support while searching for jobs and meeting other state requirements for remaining eligible for this short-term program. With the existing low cash benefits, the harsh realities of poverty put the children of these families at even greater risk.

- **FULL-FAMILY SANCTION: Eliminate the full-family sanction.**

The full-family sanction punishes children because of their caretakers' noncompliance. This is not a humane approach to combating poverty.

## CONCLUSION

Drawing conclusions about the impact of welfare reform in Kansas is difficult when grappling with the many unknowns about the lives of poor Kansas children and their families. Recent studies and reports, including the United Way Emergency Assistance Survey data, help to fill in a few of the gaps in our knowledge.

**It is imperative that SRS caseworkers aid former recipients in navigating through the bureaucratic maze to access any transitional supplements to which they are entitled. Such dedication may very well be the critical factor in determining whether a former welfare recipient becomes a permanent member of the work force and whether their children escape the perils and stigma of poverty.**

We know, for example, that Kansas has been among the national leaders in reducing its welfare rolls since welfare reform began in 1996. Unfortunately, as the section of this report entitled "Measuring Poverty in Kansas" indicates, it remains unclear whether welfare reform has had a significant impact on the number of Kansas children living in poverty.

We also know, thanks to Kansas State University's *Kansas Standard of Need and Self-Sufficiency Study, 1999*, that TAF recipients with children are being asked to look for a job and/or receive work-related training and support their families with food stamp benefits and cash benefits that are woefully inadequate to meet the costs of raising a family in Kansas. That study's findings, we believe, underscores the need to increase the size of TAF payments made to eligible families.

A troubling finding documented by both the Emergency Assistance Survey and the leavers survey conducted by the Department of Social and Rehabilitation Services is that many poor Kansas families are not receiving food stamps and other transitional supplements for which they remain eligible.

***"These results suggest that too much emphasis has been placed on caseload reduction and not enough on income and poverty outcomes."***
**Center on Budget and Policy Priorities**

The most recent data suggests SRS has begun to improve its ability to help needy families access these benefits, and the agency may be able to improve even further as it fully implements Phase II of welfare reform. SRS appears to be determined to improve its system of tracking TAF recipients, former recipients and applicants who are turned down for cash supplements in order to find and repair the weak links in the state's welfare reform program.

SRS's commitment to improving its tracking and to increasing the number of former TAF recipients who continue to access transitional supplements is critical. For the poorest families, the loss of supports can be devastating because of the grave risks that children in the deep throes of poverty confront. And for many working poor families, those who have "graduated" from the cash support program into the work force, the lack of such transitional benefits threatens the stability of their new status as workers. Already, as the SRS leavers study shows, a growing number of families -- now more than one-third -- who left the TAF program have returned to the program.

For this reason, we reiterate that the relationship between caseworker and TAF recipient does not end when a job begins and cash payments cease. It is imperative that SRS caseworkers aid former recipients in navigating through the bureaucratic maze to access food stamps, child care supplements, health insurance benefits and other transitional supplements to which they are entitled.

We are encouraged by recent statements SRS Secretary Janet Schalansky has made about the importance of ensuring that families receive the services and benefits they need. Such dedication may very well be the crucial factor in determining whether a former welfare recipient becomes a permanent member of the work force and whether their children escape the perils and stigma of poverty. It is, after all, the number of poor families who become self-sufficient, not the number of those who leave welfare, that provides the true measure of the success of welfare reform.

In fact, another lesson we learn from KSU's *Standard of Need Study* is that the job that will end a family's eligibility for cash payments is likely to fall far short of enabling the family to become self-sufficient. This is true because so many of the low-skill jobs that welfare recipients are likely to find will not provide the family with a living wage. Failure to provide TAF recipients with more intensive job training, which could enable them to secure jobs that would pay a living wage, threatens to create a permanent class of working poor in Kansas, relegating many families to a life of poverty.

For many working poor families, as well as families receiving cash assistance, the only permanent way out of this welfare-to-work bind is to receive skill-specific training for better paying jobs. As the Emergency Assistance Survey income data show, 48 percent of those who received United Way assistance would welcome such training.

Phase II positions SRS to help promote job advancement by working with the Kansas Department of Human Resources to increase the amount of skills-based training available to its clients; however, we believe that for this effort to succeed, this will require dedicating more TAF funding to job readiness training programs.

**Federal officials may conclude that Kansas, one of the nation's leaders in trimming the size of its welfare rolls, does not need $102 million to fund welfare reform; they may further conclude that they no longer wish to subsidize the state's foster care program.**

Unfortunately, one obstacle to funding a complete and comprehensive jobs training program is the fact that Kansas diverts almost $49 million of its federal block grant, an amount equal to 48 percent of the grant, into its foster care program. Although legal, this practice has been questioned by observers within the state and even has drawn criticism by researchers outside of Kansas.[1]

The use of federal funds for purposes other than helping poor families achieve self-sufficiency has ominous implications in light of a letter sent in March to all state governors by Rep. Nancy Johnson (R-Conn.), chair of the House Ways and Means Committee. In her letter, Johnson warns states against this practice by drawing attention to a conclusion that might be drawn by federal officials responsible for determining the size of the block grants that states will receive when the program is renewed in 2001.

"If the savings from supplanted federal funds are used for purposes other than those specified in the (Temporary Assistance to Needy Families) legislation, Congress will react by assuming that we have provided states with too much money," Johnson states in the letter. "It would be a shame if a few states... replaced state dollars with TANF dollars in order to...use funds for non-TANF purposes."

In other words, federal officials may conclude that Kansas, one of the nation's leaders in trimming the size of its welfare rolls, does not need $102 million to fund welfare reform; they may further conclude that they no longer wish to subsidize the state's foster care program. At a time when purse strings already are tight, a sizable cut could jeopardize the well-being of both poor children and children in need of foster care in Kansas.

In utilizing the federal block grant, policy-makers must not lose sight of the fact that moving families from welfare into the workplace is the central tenet of the welfare reform programs of both the federal government and the state of Kansas. The increasing percentage of TAF recipients who have multiple barriers to work -- and thus often need more intensive training -- underscores the need to devote more TAF funds to job training and education programs.

The current tight budget is one primary reason why some policy-makers may be reluctant to identify new welfare reform strategies that invest in poor children and their families. As we have shown, the money is already there, if only the state will use the entire block grant in ways that specifically address the needs of poor families and look elsewhere to find the funds needed for foster care.

Others have expressed concern that more supports for poor families could erode incentives to work. Regardless of the merits of that argument, we believe the state has an overriding obligation to Kansas children. It is these children, constituting more than two-thirds of those who rely on TAF payments and other benefits, who most suffer the cruelties of deprivation, who endure the greatest risks of poverty and who pay the greatest price in terms of lost potential. In considering how best to the address the problems of welfare reform in Kansas, we appeal to policy-makers to think first of the children.

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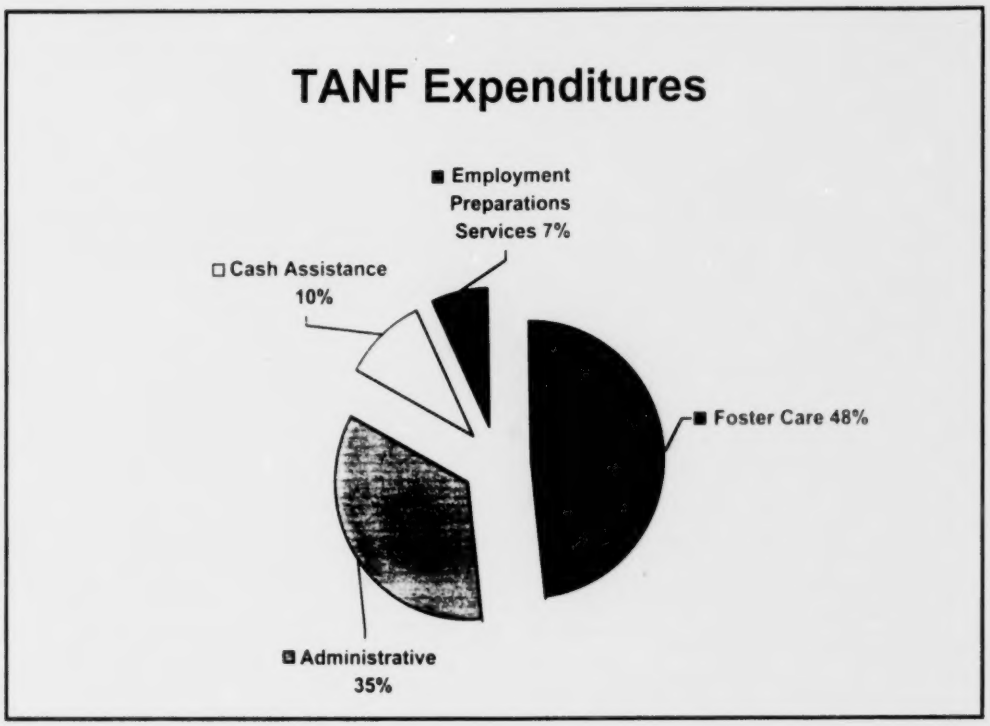
[1] *Poverty Amidst Plenty*. Jeff Lerner, Mary Herdoiza. February 2000. National Campaign for Jobs and Income.

| Participating United Way Agencies/Location | United Way Catchment Office/ Executive Director |
|---|---|
| • United Methodist Western Kansas Mexican-American Ministries: Garden City, Liberal and Ulysses-Johnson-Santana | Finney County United Way<br>Margaret Anderson |
| • Ashby House, Ltd.: Salina<br>• Salina Cares Health Clinic: Salina | Salina Area United Way<br>Ruth Ascher |
| • The Salvation Army: Pittsburg | United Way of Crawford County<br>Verna Lou Smith |
| • United Methodist Western Kansas Mexican-American Ministries: Dodge City | United Way of Dodge City (Ford County)<br>Eileen Jensen |
| • Penn House: Lawrence<br>• The Salvation Army: Lawrence | United Way of Douglas County<br>Jo Bryant |
| • Ellis County Health Department<br>• First Call for Help of Ellis County | United Way of Ellis County<br>Sue Rouse |
| • Coffey County Resources Council: Burlington<br>• ECKAN: Emporia<br>• Morris County Care and Share: Council Groves<br>• S.O.S.: Emporia<br>• The Salvation Army: Emporia | United Way of the Flint Hills<br>Bernie Collins |
| • The Salvation Army: Topeka<br>• Let's Help: Topeka | United Way of Greater Topeka (Shawnee Co.)<br>Nancy Perry |
| • Catholic Community Services: Olathe and Meriam<br>• The Salvation Army Family Lodge: Olathe | United Ways of Johnson County<br>Jennifer Kennally |
| • American Red Cross: Leavenworth<br>• The Salvation Army: Leavenworth | United Way of Leavenworth County<br>Marianne Grodberg |
| • Family Life Center - McPherson<br>• Early Childhood Center - McPherson | United Way of McPherson, Inc.<br>Kathy Dixon |
| • Catholic Charities, Inc.: Wichita<br>• The Salvation Army: Wichita | United Way of the Plains (Sedgwick County)<br>Pat Hanrahan |
| • New Beginnings Homeless Shelter: Hutchinson<br>• The Salvation Army: Hutchinson | United Way of Reno County<br>Rob Mackey |
| • American Red Cross: Manhattan<br>• The Salvation Army: Manhattan | United Way of Riley County<br>Aileen Cray |
| • Catholic Community Services: Kansas City<br>The Salvation Army: Kansas City | United Way of Wyandotte County<br>Terry Woodbury |




## How Kansas slices the TANF pie

The pie chart above shows how Kansas chooses to spend the $101.9 million Temporary Assistance to Needy Families block grant that it receives each year from the federal government. The program's primary aims are to provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives, and to end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage.

In actual dollars, Kansas splits the pie in the following manner:

- Foster care -- $48,749,869
- Administrative -- $36,038,127
- Cash Assistance -- $10,053,148
- Employment Preparations Services -- $7,038,903